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August 22, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

RE: Oral Ex Parte Communication: Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 - CC Docket No. 96-98

Dear Mr. Caton:

On Thursday, August 22, 1997, Geri Matise, Renee Alexander, and Greg Cooke of the Network Service Division of the Common Carrier Bureau held a telephone conference call regarding the above-referenced proceeding with Michael Morris, Teresa Marrero, John Krug, Tom Schroeder and Judith Herrman of Teleport Communications Group Inc. ("TCG"). Pursuant to the "Request for Information Regarding 'Code Opening' Fees," TCG reviewed the functions and charges associated with Code Assignment, Code Activation, and Code Opening.

TCG explained that Code Assignment, Code Activation, and Code Opening are the three steps that enable all telecommunications carriers to accurately route and rate calls for an individual NXX code. The responsibility for the functions described below is divided between TCG, the ILEC as interim Code Administrator, and BellCore.

Step 1 - Code Assignment

Code Assignment involves the assigning of a particular NXX code to a code applicant (the carrier requesting an NXX code). The code assignment process is initiated when a code applicant submits Part I of the Code Request Form to the Code Administrator (currently the ILEC). In this form, the code applicant requests that a new code be "activated" by a particular date. The Code Administrator has 15 calendar days to respond (using Part 3 of the Code Request Form) to the code applicant with an assignment of an NXX code. In assigning a code, the Code Administrator must first confirm that the request form was completed correctly and then must select an unassigned code for assignment to the applicant. Historically, there has been no charge by the Code Administrator for Code Assignment.

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Step 2 - Code Activation

Code Activation involves the process of updating the BellCore databases to maintain accurate NXX code routing and rating information and notifying all telecommunications carriers of the updated data. During the code activation process, the code applicant (or the Code Administrator if the code applicant make such a request on Part 2 of the Code Request Form) updates the records in the BellCore Local Exchange Routing Guide (LERG). TCG updates three types of LERG records: switch (SRD) records, rating (NXX) records, and routing (DRD) records with the newly-assigned NXX information. BellCore is responsible for distributing the revised LERG to all telecommunications carriers. Once the updates are complete and the information appears in the LERG, the code applicant notifies the Code Administrator that the Code has been activated by submitting Part 4 of the Code Request Form to the Administrator.

BellCore charges TCG an annual fee for maintaining the company's NXX code information -- a database "storage" fee based on the amount a memory TCG's records require. The fee, set at \$15.02 per record, is not a one-to-one charge per NXX activated. Rather, it depends on the number of switches a carrier has in operation. TCG is not charged by the Code Administrator for the physical inputting of the data because TCG updates its own records in BellCore's LERG.

When the FCC assigns a new Numbering Administrator, TCG expects that it will retain the option to update its own records in the LERG and other nationwide databases. TCG also expects that maintenance charges, similar to the current BellCore annual charge, would be assessed by the newly-assigned Administrator.

Step 3 - Code Opening

Code Opening refers to the "technical reprogramming which each carrier must perform to enable its own switches to recognize a new NXX code each time one is assigned to another carrier."¹ Each carrier must undertake its own switch translations and updates its own translation tables with the NXX changes and additions noted in the LERG (including its own) to accurately route and rate the telecommunications traffic traversing its network and switches.

TCG neither charges nor is charged by other carriers for any code openings. The California Public Utilities Commission (CPUC) confirmed the appropriateness of this arrangement, finding that a "carrier requiring a code opening should be not be

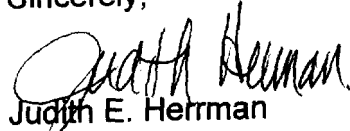
¹California Public Utilities Commission, Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service, R.95-04-043, Dec. 96-12-067 (Rel. Dec. 20, 1996) at 6.

William F. Caton
August 22, 1997
Page 3

responsible for reimbursing internal operational costs applicable to other carriers over which it has no control."²

Pursuant to Sec. 1.1206(b)(2) of the Commission's rules, attached please find an original and one copy of this letter.

Sincerely,



Judith E. Herrman
Manager, Federal Regulatory Affairs

cc: Geri Matise
Renee Alexander
Greg Cooke

²Id. at 7.